GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:4322
ANSWERED ON:21.08.2001
MEGA FERTILIZER PROJECTS
SULTAN SALAHUDDIN OWAISI

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Government have accorded in principal, approval for the four Mega fertilizer projects in 1999;

(b) if so, the details of the projects;

(c) whether it is also a fact that the Government have not given final clearance so far to these projects;

(d) if so, the rational behind withholding the final clearance for so long; and details thereof; and

(e) the time by which a final decision is likely to be taken in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI S.B. MOOKHERJEE)

(a) to (e): The following four urea projects in the Public/Cooperative sector to be setup within the country were accorded `in principle` approval by the Government in April, 1999, subject to investment appraisal by Public Investment Board (PIB).

i) Expansion of Hazira plant of KRIBHCO in Gujarat.
ii) A new urea plant to be set up by KRIBHCO at the existing site of FCI's Gorakhpur Plant in Uttar Pradesh.
iii) Expansion of Thal Plant of RCF in Maharashtra.
iv) A grassroots urea plant to be set up by IFFCO at Nellore in Andhra Pradesh.

Investment appraisal of all these four urea projects was undertaken by the PIB inJuly 1999. In June 2000, a proposal for taking a final investment decision on these projects was considered and deferred by the Government. This proposal was formulated taking into account the observations of the PIB regarding the viability of the projects,desirability of encouraging use of liquefied natural gas as feedstock to reduce the incidence of subsidy and the need to stagger implementation of the proposed projects due to limited demand supply gap forecasts.